

# **AFG Capital Management, Inc.**

## **Summary Order of Suspension and Cease and Desist Order**

DATE: September 7, 2006

RESPONDENTS: AFG Capital Management, Inc, James A. Freese, and Their Representatives and Agents

ALLEGATIONS: Respondents AFG and Freese refused to allow, or otherwise impeded an audit or inspection, refused access to Respondents' offices to conduct audits or inspections, failed to maintain or keep sufficient records to permit an audit, and/or failed willfully and without cause to comply with a request for information.

Respondents AFG and Freese engaged in an act, practice or course of business that operated as a fraud or deceit upon a Kansas resident. The resident was informed that his money was maintained in one account, while in fact the money was pooled with the money of other investors in another account.

Respondent AFG failed to promptly notify the Office of the Securities Commissioner that the Respondent had custody of client funds.

Respondent AFG employed or associated with an individual who was not registered as an investment advisor representative.

ORDER: The Kansas Securities Commissioner summarily suspended the registration of Respondents AFG and Freese. Furthermore, the Respondents and their representatives and agents were ordered to cease and desist from transferring funds or securities of clients, trading or recommending trades on behalf of clients, or taking any other action involving client funds or securities, until all provisions of the Kansas Uniform Securities Act were complied with.

**Notice to Investors:** If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.